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SUBJECT: PRT TIKRIT: PROVINCIAL GOVERNANCE TAKES BIG STEP, APPROVES 2007 CAPTIAL BUDGET

REF: A. 06 BAGHDAD 4728

[T1B](#). BAGHDAD 380

[T1C](#). BAGHDAD 829

[T1D](#). BAGHDAD 1028

[T11](#). This is a PRT Tikrit, Salah ad Din cable.

[T12](#). Sensitive but unclassified, entire text.

[T13](#). SUMMARY AND COMMENT. The Salah ad Din Provincial Council (PC) approved the 2007 provincial capital budget during a special meeting in Tikrit on March 28. After several hours of energetic debate, buoyant Council members endorsed a comprehensive capital project budget based on an expected Ministry of Finance 2007 provincial allocation of 117 billion ID. The 2007 budget resolution process in Salah ad Din - anchored by the new Ministry of Planning and Development Coordination (MoPDC) regulations - resulted in a final proposal that appears to distribute projects fairly throughout the province, including underrepresented municipalities such as Samarra and Bayji. More important than the spending measure by itself was the transparent and inclusive manner by which Provincial Government leaders constructed the budget. The budget resolution process demonstrated real progress towards the strengthening of democratic institutions in Salah ad Din. Continued development of credible local governance now moves to a critical phase: the establishment of open contracting and project oversight processes by the executive branch. END SUMMARY AND COMMENT.

A More Inclusive Process

[T14](#). There was broader participation province-wide than ever in the resolution of the 2007 capital budget. Beginning in January, the PRT and Civil Affairs teams began an outreach program to encourage local leaders and Director Generals to submit local projects. Although participation was not universal and communication between the Provincial Government and municipalities is still sporadic, even nearly non-existent in some areas (reftel D), the 2007 budget was crafted by a much wider spectrum of provincial leadership than in [T12006](#). In the past, several key personalities dominated the budget resolution process (reftel A). This year, however, Director Generals, Municipal Councils, and the Provincial Territorial Committee (formerly the Provincial Development and Reconstruction Committee, reftel C) all played an important part, paying dividends: the 2007 budget appears to distribute funding much more equitably and prudently than in the past.

A Meeting of Minds

[T15](#). The effort to achieve greater provincial participation in formulating the budget culminated in a well-attended meeting on March 26 in Tikrit. The meeting - organized by Deputy Governor General Abdulla - was on a scale rarely seen in Salah ad Din in the

past, bringing together most of the provincial Director Generals to discuss the 2007 budget execution process outlined by the MoPDC regulations. Upon receiving the guidance provided by the regulations, the attendees appeared eager to comply for fear of providing the GOI - perceived to be Shia-dominated by most in SaD - any excuse to withhold needed provincial funds this year. The meeting also provided a forum for Director Generals to submit their final input necessary to complete the draft budget in time for the Provincial Council meeting on March 28.

Tuz Boycotts, But to no Effect

¶6. Representatives from Tuz, a Kurdish and Turcoman enclave in northeastern Salah ad Din, frequently shun the Provincial Council, claiming that the poor security situation prevents them from traveling and that the provincial leadership is unresponsive to their concerns (reftel B). On March 27, one day before the climactic vote on the capital budget in the PC, the Tuz delegation announced a new boycott through a letter which specifically demanded greater security measures from the ISF as well as the resignation of the PC Chairman. However, in contrast to previous boycotts, the Provincial Council mustered a quorum and came to a consensus (septel).

A Budget, not a Project List

¶7. Prior to 2007, capital budgets in Salah ad Din took the form of prioritized project lists. The lengthy lists - numbering in the hundreds - would often be transformed into wish lists for influential Council members, allowing them to select pet projects

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along with the contractors. In addition to the lack of accountability and transparency, areas of the province not well represented on the Provincial Council suffered tremendously from this process; no one would be there to "cherry pick" their own local works.

¶8. The MoPDC regulations provide the necessary legal framework for the PRT to encourage the SaD Provincial Council to a true budget for 2007, rather than solely a list of projects. With the total provincial allocation from the Ministry of Finance fixed at 117 billion ID in advance, the 2007 budgetary process required delegates to make difficult but necessary decisions in advance. For example, Council members decided the level of funding for each sector and district province-wide before selecting specific projects. With PRT encouragement, the Council ensured that the provincial appropriations were transparent, loosely based on population percentages. This process, based on the MoPDC regulations, created new dynamics in Salah ad Din by forcing Director Generals and local leaders to prioritize their project proposals and ensuring that Council members engage in lively debate in order to justify their favored projects.

Comment

¶9. COMMENT. The approval of the 2007 capital budget by the Provincial Council represented an important step forward on the path towards better governance in Salah ad Din. More important than the vote alone, however, was the more transparent budget resolution process - realized over several months - it represented. Although significant challenges to greater provincial integration remain, the recent events may represent an important start on the path to a stronger, more credible Provincial Government in the eyes of most SaD residents. Continued progress now depends on the accomplishment of the new and difficult task which lies ahead - establishment of open contracting procedures mandated by the MoPDC regulations. END COMMENT.

¶10. The PRT will remain, in conjunction with Civil Affairs teams

stationed throughout the province, highly engaged with the SaD Provincial Government as it now begins the more difficult process of contracting, overseeing, and accounting for this new capital budget. The PRT will also assist the Provincial Government to communicate its recent success with the general public through television and print media.

¶112. For additional reporting from PRT Tikrit, Salah ad Din, please see our SIPRNET reporting blog:
<http://www.intelink.sgov.gov/wiki/Tikrit>.

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